Industries (MFPI) provides financial assistance for establishment/modernisation/technology upgradation of food processing industries, including fishery units, in the form of grant of 25% of the plant and machinery and technical civil works subject to a maximum of Rs. 50.00 lakhs in general areas and 33.33% upto Rs. 75.00 lakhs in difficult areas such as, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Sikim, North Eastern States, Andaman and Nicobar Islands, Lakshadweep and ITDP areas. Food Processing Industries are both in organised and unorganised sectors and as such the data on the number of food processing industries established in the country, including that in Andaman and Nicobar Islands, is not centrally maintained. However, no proposal has been received from Andaman and Nicobar islands for financial assistance from MFPI for fishery units.

Setting up of mega food parks in NER

3999. MS. MABEL REBELLO: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether it is proposed to set up mega food parks in North Eastern region, with a view to connect the farmers, investors, industries and the markets;

(b if so, the details thereof;

(c) whether such hubs are also proposed to be set up in other regions of the country, especially in the backward ones of Bihar, Orissa, Jharkhand, Chhattisgarh, etc. to improve the economy of the farmers; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) to (d) Ministry of Food Processing Industries (MFPI) has developed a scheme for providing financial assistance for establishment of mega food parks, which envisages a well-defined agri/horticultural-processing zone containing State of the art processing facilities with support infrastructure and well established supply chain. The scheme aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income. The primaiy objective of the scheme is to facilitate establishment of an integrated value chain, with processing at the core and supported by requisite backward and forward linkages. The ownership and management of the Mega Food Park would vest with a Special Purpose Vehicle (SVP) in which organized retailers, processors, service providers, farmers etc. may be the equity holders or there may be an anchor investor along with its ancillaries, associated companies and others stakeholders. The Government agencies may also be shareholders in SPV upto a maximum of 49%.

The scheme is project oriented. The locations of the Mega Food Parks have to be selected on a demand driven, cluster-based approach with delineated supply chain and well supported by pre-feasibility studies. Mega Food Parks can be established for any sector on need and viability basis such as fruit and vegetables, dairy, meat and poultry etc. or it can also have a combination of fruits and vegetables, dairy, meat and poultry etc., the decision on which will be taken by the Special Purpose Vehicle (SPV).

The scheme intends to incentivise the private sector investment in creating food processing infrastructure in a big way. Accordingly, the Scheme envisages financial assistance in the

form of grant-in-aid upto 50% of the project cost in general areas and upto 75% of the project cost in special category States subject to a maximum of Rs. 50.00 crore or the cost of approved facilities, whichever is lower, for all implementing agencies including private sector. The scheme provides for establishment of 30 Mega Food Parks with MFPI financial assistance of Rs. 1500 crore during the Eleventh Five Year Plan.

Grants for development of food processing industries

4000. SHRI JESUDASU SEELAM: Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Ministry has called for an Indian model that protected small stores and involved intermediaries while announcing a grant of Rs. 10 crore for the Eleventh Five Year Plan to promote food processing industries;

(b) whether the Ministry was confident that India would open up its 3.30 billion dollar retail market, after being convinced that Kirana stores would not be affected by the big players and for this, an in-depth study on the impact of foreign direct investment in food retail and domestic sector has been commissioned; and

(c) what are the steps Government proposed to take to improve the food processing industries during the Eleventh Five Year Plan?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY): (a) The Ministry of Food Processing Industries (MFPI) has no proposal for an Indian model that protected small stores and involved intermediaries. However, the Ministry has made a proposal of cold chain for financial assistance upto Rs. 10 crores for the Eleventh Five Year Plan to promote food processing industries. The Planning Commission has made an allocation of Rs. 4031 crores for implementation of various Plan schemes for the development of food processing industries in the Eleventh Plan.

(b) There is no proposal for opening up Foreign Direct Investment (FDI) in food retail. As per present Policy, retailing of local vegetables, fruits, grains etc. are open to Indian companies without any FDI. Government has instituted a study on the impact of organised retail by the Indian Council for Research on International Economic Relations (ICRIER).

(c) A Vision Document 2015 on Food Processing Industries has been finalized by the MFPI which envisages trebling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20%, value addition from 20% to 35% and share in global food trade from 1.5% to 3% by 2015. An integrated strategy for promotion of agribusiness—Vision, Strategy and Action Plan for the Food Processing Sector has been approved for growth of Food Processing Sector.

As part of achieving the objectives of the Vision 2015, the Ministry has taken several initiatives in the Eleventh Plan for the promotion of food processing industries. It proposes to implement a revamped Scheme for Infrastructure Development, in the Eleventh Plan which envisages providing financial assistance for setting up of thirty Mega Food Parks in the country during Eleventh Five Year Plan period. The scheme which is project oriented, aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market and the processing industry so as to ensure maximization of value addition, minimization of wastages and improving farmers' income. Mega Food Park envisages a well-defined agri/horticulturai-processing zone containing state of the art